



# **MORECLOTHING**

**Author: Neus Salvador Más**

**Mentor: Edurne Zubiria Ferriols**

**DEGREE IN BUSINESS ADMINISTRATION**

**AE1049 – FINAL DEGREE PROJECT**

**COURSE 2016-17**



<b>A. TABLE INDEX .....</b>	<b>5</b>
<b>B. ILLUSTRATION INDEX .....</b>	<b>6</b>
<b>C. GRAPH INDEX .....</b>	<b>7</b>

<b>0. INTRODUCTION: METHODOLOGY AND THE PROCESS OF DEVELOPMENT OF WORK .....</b>	<b>8</b>
0.1. Summary .....	8
0.2. Goal of the Final Degree Project and justification of the choice of topic.....	9
0.3. Methodology of work .....	9
0.4. Connection between TFG and the subjects of the Degree.....	10
<b>1. EXECUTIVE SUMMARY .....</b>	<b>11</b>
1.1. Problem - solution - opportunity .....	11
1.2. What do we do? .....	11
1.3. The business model.....	12
1.4. The competitive advantage .....	12
1.5. The market.....	13
1.6. The competition .....	13
1.7. The team .....	13
1.8. Economic-financial summary .....	14
<b>2. THE COMPANY .....</b>	<b>17</b>
2.1. Company's presentation .....	17
2.2. Mission – View - Values .....	17
2.2.1. Mission.....	17
2.2.2. View.....	17
2.2.3. Values.....	17
2.3. Description of the activity / Lines of business / Products and Services.....	17
2.3.1. Strategic objectives.....	18
2.3.2. Lines of business / Products and Services .....	18
2.4. Market definition: delimitation and quantification .....	19

<b>2.5. Innovation. Differential value .....</b>	<b>20</b>
<b>3. IDENTIFICATION, DESCRIPTION AND ANALYSIS OF THE OPPORTUNITY .....</b>	<b>21</b>
<b>3.1. Definition of the opportunity detected.....</b>	<b>21</b>
<b>3.2. Problem stuck - solution .....</b>	<b>22</b>
<b>3.3. Analysis of the general environment (PESTEL).....</b>	<b>23</b>
3.3.1. Political - Legal factors .....	23
3.3.2. Economic factors .....	25
3.3.3. Socio – cultural factors.....	26
3.3.4. Technological factors .....	26
3.3.5. Ecological factors.....	27
<b>4. BUSINESS MODEL DESIGN .....</b>	<b>28</b>
<b>4.1. Definition of the business model (using CANVAS model) .....</b>	<b>28</b>
4.1.1. Differential value .....	28
4.1.2. Customers – customer relations.....	28
4.1.3. Channels.....	29
4.1.4. Key resources .....	29
4.1.5. Key tasks .....	29
4.1.6. Partners .....	29
4.1.7. Income flow - revenue lines.....	30
4.1.8. Expenses flow.....	30
<b>5. COMPETITOR ANALYSIS .....</b>	<b>32</b>
<b>5.1. Identification and analysis of the strategic group .....</b>	<b>32</b>
<b>5.2. Identification and analysis of competitors .....</b>	<b>33</b>
<b>6. SWOT ANALYSIS .....</b>	<b>36</b>
<b>6.1. Weaknesses .....</b>	<b>36</b>
<b>6.2. Threats.....</b>	<b>36</b>
<b>6.3. Opportunities .....</b>	<b>37</b>
<b>6.4. Strengths .....</b>	<b>37</b>
<b>7. MARKETING PLAN .....</b>	<b>39</b>

<b>7.1. Marketing mix</b> .....	<b>39</b>
7.1.1. Product .....	39
7.1.2. Price .....	42
7.1.3. Distribution .....	43
7.1.4. Promotion .....	43
<b>7.2. Communication plan</b> .....	<b>44</b>
<b>8. Human resources plan</b> .....	<b>46</b>
<b>8.1. Functional organization chart</b> .....	<b>46</b>
<b>8.2. Collaborators</b> .....	<b>47</b>
<b>9. Financial plan</b> .....	<b>49</b>
9.1. Investment plan.....	49
9.2. Profit and loss account .....	49
9.3. Cash Flow plan.....	51
9.4. Temporary Balance sheet.....	52
<b>10. CONCLUSIONS</b> .....	<b>54</b>
10.1. Identification of project challenges or aspects to consider.....	54
10.2. Future opportunities .....	54
10.3. Assessment of the work process .....	55
<b>11. REFERENCE LIST</b> .....	<b>56</b>
<b>12. BIBLIOGRAPHY</b> .....	<b>58</b>

## **A. TABLE INDEX**

Table 1: Investment Data.....	15
Table 2. Annual profit and loss account .....	15
Table 3. Balance.....	16
Table 4. Percentage of physical activity done .....	26
Table 5. I+D expense in Spain.....	27
Table 6. Competitive characteristics .....	34
Table 7. Product prices.....	42
Table 8. Investment plan .....	49
Table 9. Profit and loss account 2018 .....	50
Table 10. Annual profit and loss account.....	51
Table 11. Cash flow statement 2018 .....	52
Table 12. Annual cash flow statement.....	52
Table 13. Annual Balance.....	53

## **B. ILLUSTRATION INDEX**

Illustration 1: CANVAS Model .....	12
Illustration 2. SWOT analysis .....	38
Illustration 3. Fitness t-shirt .....	39
Illustration 4. Top and tank tops .....	40
Illustration 5. Sweatshirts.....	40
Illustration 6. Leggings.....	41
Illustration 7. Shorts and pants.....	41
Illustration 8. Sneakers.....	42
Illustration 9. Moreclothing logo .....	44
Illustration 10. Organization chart .....	46

## **C. GRAPH INDEX**

Graph 1. Evolution of the entrepreneurial rate .....	24
Graph 2. Strategic groups .....	32
Graph 3. Competition Map .....	35



## **0. INTRODUCTION: METHODOLOGY AND THE PROCESS OF DEVELOPMENT OF WORK**

### **0.1. Summary**

The following document corresponds to a business plan based on the creation of a new and hypothetical, in which I will propose the launch of an online store, called Moreclothing, dedicated to commercialize textile products, specialized in Fitness, which are made from ecological fabrics and applying environmentally-friendly manufacturing processes. Likewise, the products may help to reduce greenhouse gas emissions, improve the working conditions of the workers who manufacture them, and will also bring benefits to consumers who wear them. The company will act as a channel that will connect suppliers with the final customers, in other words, I will not be the producer of the garments that will be commercialized in the website. So the project would be structured as follows.

In the first points we will see the analysis of the opportunities that I have been able to observe in the current market and how the project can take advantage to meet the needs of future customers. As well as what will be the value that differentiate the company from the rest of the competitors and the concrete activity that I am going to develop.

Then, I will carry out a more in-depth analysis of the situation of the company, through external analysis, where I will discuss the company environment, the variables that can affect me and can not be controlled by the company, and what will be the competition which we are going to face. As well as an internal analysis where I analyze the variables that are under the control of the company and other aspects such as the marketing mix.

Next, I will explain the human resources plan, where I will talk about the team that constitutes the company and the functions performed by each one of its members, and the financial plan, where I will make a series of predictions about the sales I am going to get over the first few years, the balance of profit and loss in order to know exactly if the project is going to be beneficial or not, the cash balance and other financial data. With all these data I may see how the company will evolve over the years.

Finally, I will make a short assessment on the conclusions that I have reached after the realization and analysis of the project. And where it will be confirmed if the project could be launched to the market and if the company will generate profits.

## **0.2. Goal of the Final Degree Project and justification of the choice of topic**

The main aim of this project is the presentation of a new online company in order to try to meet the needs of the market that are not satisfied until this moment. It will be necessary for this to properly analyze that need and develop each one of the essential points to carry out our business idea and make it to happen.

Many projects has been presented during the degree that I have studied and the most of them were marketing plans based on an already existing companies in the market. For this reason it is interesting to devise an own project and create a new online company from the beginning until its full development, being able to analyze the economic viability that will present if it is put into operation. That is why I have chosen the business plan based on a new business idea for the development of my Final Degree Project in which I can put into practice the knowledge learned.

## **0.3. Methodology of work**

The methodology used to carry out this project has been as follows. Firstly, I met my mentor in a first meeting to set how the project should be, to talk a bit about what interested me and what I should do in order to choose an appropriate business idea, as well as talking about how I should develop it.

Secondly, once I had at my disposal the points that should be included in the business plan I set some dates for each of those points, which I sent to my mentor, and I had to fulfill with them as much as possible.

Thirdly, I began my internet search on topics that interested me and about innovative and profitable businesses in order to inspire me when choosing my business idea. Once this search was completed I thought about the definitive business idea to develop my final project and I communicated it to my mentor, who asked me a series of questions and helped me to make that idea finally clear.

Finally, I began to fulfill my programming and develop the points step by step searching for information on the internet and books in order to help me when carrying out my project.

#### **0.4. Connection between TFG and the subjects of the Degree**

During the realization of this project I have been applying knowledge acquired from different subjects that I have been studying throughout the Degree of Business Administration, such as:

Operational Marketing, especially at the point of the marketing plan, which have helped me to carry out the external and internal analysis of the company, since this subject was focused on aspects of this type and I have learned how to correctly make such analyzes.

Human Resources Management that helped me to develop the point based on Human Resources Plan and deals with this knowledge, in which it is shown the functional organization chart of our company and functions performed by each member of our work team.

Also important in this project were the skills learnt in the subject of Analysis and Formulation of Strategies; Financial Accounting and Analysis of Financial Statements, especially for the execution of the Financial Plan in order to study the economic viability of our new project. And the subject of English for the company, since this project must be presented in English and this subject has provided us enough capacity to write it.

## **1. EXECUTIVE SUMMARY**

### **1.1. Problem - solution - opportunity**

Increasing attention is paid to health and fitness, with sport being an essential part of people's lives. Another aspect that has become very important in recent years is climate change and the care of the environment, considering that its effects are being increasingly affecting our environment and, in general, the whole planet.

In view of these aspects, the business idea is an online store of sportswear, specialized in Fitness, which sells garments made from ecological fabrics and covers the entire national territory. This company will only work as a distributor, buying merchandise from its suppliers and then selling it through its website, and its main objective being to offer to its customers quality and environmentally friendly clothing, as well as taking care of the working conditions of employees.

Through this new project I could have a great opportunity in the current market, since it is a type of product that is not easy to find in the other stores and, as I mentioned above, sport and the environment are two aspects that are very present in our lives, so it would have a very broad target audience. Addressing people who practice sports and also, not only seeks to take care of their physical condition but also is aware of the care and respect of the environment.

### **1.2. What do we do?**

The main function of this business will be to distribute sportswear through the Internet, that is, I will not be clothing makers but I will buy these clothes from the suppliers and then sell them directly to our customers through an online store. So I can say that the company will be the channel that connects the final consumer with the finished product.










The workplace where the team will develop this activity is a coworking, which is the physical space that different professionals, especially self-employed and startups, share in order to reduce expenses and create networks. This will allow me to access offices with all the necessary equipment available, an economic value attainable and support from other professionals or entrepreneurs (Sinergia CoWork, 2014).

In addition, from a coworking space I have many more facilities than if I worked from our private address and allows me to interact with other entrepreneurs of our sector, even from different sectors, which may have benefits for the business (Fangaloka, s.f.).

### **1.3. The business model**

In the illustration below we will show the business plan of the new company using the CANVAS model in order to detail the most important aspects (Illustration 1).

**Illustration 1: CANVAS Model**

<b>Key Partners</b>   Suppliers of sports and ecological clothing  Suppliers with quality clothing  Logistic companies	<b>Key Activities</b>   Channel between final consumers and suppliers.  Market the clothes in the online store  <b>Key Resources</b>  Work team  Capital  Platform	<b>Value Proposition</b>   Ecological fabric  Online sales, greater convenience  Fast service and after-sales service	<b>Customer Relationships</b>   Efficient and quality service  Customer Service  Chat for questions  <b>Channels</b>  Web page	<b>Customer Segments</b>   Men and women between the ages of 16 and 55  Sports profile  Environmental awareness  Spanish market
<b>Cost Structure</b>  Computer platform Coworking Employee wages Transport		<b>Revenue Streams</b>  Cash Payment methods: - Credit card - Wire transfer - PayPal		

Source: Own elaboration

### **1.4. The competitive advantage**

The main competitive advantages the company will offer are the product differentiation and excellent customer service. Whereas what I am actually looking for is to differentiate ourselves from the competitors with an innovative and high quality product that is difficult to find in the market and that also has a series of differentiating characteristics, which the competitors do not have, such as the material with which the garments have been made from. My purpose with this is that the customers see the products as exclusive and unique in the market. In addition, putting a lot of emphasis on the response time that I will give when delivering orders to my customers, giving a

fast, accurate service and the best quality possible.

I would also like to highlight the awareness of the company with respect for the environment and its interest in collaborating in the improvement of our environment, and in turn of the whole planet, with the use of ecological fabrics used for the manufacture of the garments that I will commercialize.

### **1.5. The market**

According to the characteristics of buyers, the market in which I am going to operate is of consumption and I will target final consumers who seek to satisfy their own needs.

According to the number of competitors, it is an imperfect competition market because there are no online stores similar to mine that offer products with the same characteristics.

### **1.6. The competition**

In regard to the competition, the company will not have direct competitors since, as I have said, we can not find in the market any store with the same characteristics as mine. Although it is possible to find the two concepts separately, that is, stores that sells exclusively sportswear and stores that only sell ecological clothing, but the two aspects do not jointly.

Therefore, I may say that the main competitors would be sport shops in general, that is, in the form of generic competition. In particular, those huge brands known worldwide as Nike, Adidas or Puma because they already have a large part of loyal customers and a defined market share.

### **1.7. The team**

The company will be formed by a team of professionals to carry out the correct operation of our business in an effective way. This team will consist of two employees

and a General Manager, who will also be the owner of the business.

In the first place, the company will have a person in charge of the website and social networks that will perform programming, maintenance, design, updating and resolution of problems related to it and accessibility to the Internet, as well as the functions of the Community Manager.

Secondly, I will have a person who is in charge of the finances and accounting of the company, in order to have all accounts in place.

Finally, with regard to the Sales Department, I will not need any employees who specifically take care of it because the orders that are made from the website will reach directly to our suppliers, so the connection is direct, and this allows the service to be faster and more effective. Being the General Manager who will be in charge of the Department of Human Resources, Public Relations, Customer Service and Supplier and Sales Management.

### **1.8. Economic-financial summary**

In this section we will see a summary of what we will see later in the point where I develop the financial plan of our company.

The most important, and essential, for the development of the activity is the initial contributions, since I will need money to start up the business, and employees who will form the work team. Likewise, the right choice of the most appropriate suppliers for my business idea.

In the table below (Table 1), it is shown the investments that I am going to do in the year of start of the activity. As we can see, the most important investments correspond to the technological platform that I will need to run the website.

**Table 1: Investment Data**

Concept	Initial Value	% Depreciation	2.018		2.019		2.020	
			Investments	Depreciation	Investments	Depreciation	Investments	Depreciation
Property, plants and equipment	0,00		0,00	0,00	0,00	0,00	0,00	0,00
Intangible Assets	15.000,00		0,00	3.750,00	0,00	3.750,00	0,00	3.750,00
IT applications	15.000,00	25,0%		3.750,00		3.750,00		3.750,00
Financial Assets	0,00	n.a.	0,00	n.a.	0,00	n.a.	0,00	n.a.
Amortizable Expenses	1.000,00		0,00	200,00	0,00	200,00	0,00	200,00
Establishment	1.000,00	20,0%		200,00		200,00		200,00
Annual net income	16.000,00		0,00	3.950,00	0,00	3.950,00	0,00	3.950,00
Net book value				12.050,00		8.100,00		4.150,00

Source: own elaboration

In the table below (Table 2), it is shown the annual profit and loss account corresponding to the third year of activity that will allow me to analyze the evolution of the company in terms of profit or loss. As it is shown, we will have an evolution of profits over the years.

**Table 2. Annual profit and loss account**

2.018		2.019		2.020	
Total	Variation %	Total	Variation %	Total	
263.670,00	1,00	527.340,00	3,00	2.109.360,00	
213.572,70	1,00	427.145,40	3,00	1.708.581,60	
50.097,30	n.a.	100.194,60	n.a.	400.778,40	
20.501,76	n.a.	20.501,76	n.a.	23.064,48	
6.355,55	n.a.	6.355,55	n.a.	7.149,99	
500,00	0,00	500,00	0,00	500,00	
1.160,00	1,00	2.320,00	3,00	9.280,00	
2.400,00	1,00	4.800,00	3,00	19.200,00	
300,00	0,00	300,00	0,00	300,00	
350,00	0,00	350,00	0,00	350,00	
3.600,00	0,00	3.600,00	0,00	3.600,00	
1.800,00	0,00	1.800,00	0,00	1.800,00	
1.200,00	0,00	1.200,00	0,00	1.200,00	
3.950,00	n.a.	3.950,00	n.a.	3.950,00	
42.117,31	n.a.	45.677,31	n.a.	70.394,47	
7.979,99	n.a.	54.517,29	n.a.	330.383,93	
0,00	n.a.	0,00	n.a.	0,00	
7.979,99	n.a.	54.517,29	n.a.	330.383,93	
1.995,00	n.a.	13.629,32	n.a.	82.595,98	
5.985,00	n.a.	40.887,97	n.a.	247.787,95	

Source: own elaboration



Finally in the table below (Table 3), it is shown the balance of the start of activity and next two years. In there, the fundamental aspect will be that the balance must square.

**Table 3. Balance**

	Start		2018		2019		2020	
	I	%	I	%	I	%	I	%
<b>Long Term Assests</b>	<b>16.000,00</b>	<b>100,0%</b>	<b>12.050,00</b>	<b>44,9%</b>	<b>8.100,00</b>	<b>10,5%</b>	<b>4.150,00</b>	<b>1,1%</b>
Net property, plants and equipm	15.000,00	93,8%	0,00	0,0%	0,00	0,0%	0,00	0,0%
Net Intangible Assets	0,00	0,0%	11.250,00	41,9%	7.500,00	9,7%	3.750,00	1,0%
Net Amortizable Expenses	1.000,00	6,3%	800,00	3,0%	600,00	0,8%	400,00	0,1%
<b>Current Assets</b>	<b>0,00</b>	<b>0,0%</b>	<b>14.770,93</b>	<b>55,1%</b>	<b>68.931,92</b>	<b>89,5%</b>	<b>389.702,73</b>	<b>98,9%</b>
Treasury	0,00	0,0%	14.770,93	55,1%	68.931,92	89,5%	389.702,73	98,9%
<b>Total Assets</b>	<b>16.000,00</b>	<b>100,0%</b>	<b>26.820,93</b>	<b>100,0%</b>	<b>77.031,92</b>	<b>100,0%</b>	<b>393.852,73</b>	<b>100,0%</b>
<b>Own resources</b>	<b>16.000,00</b>	<b>100,0%</b>	<b>21.985,00</b>	<b>82,0%</b>	<b>62.872,97</b>	<b>81,6%</b>	<b>310.660,92</b>	<b>78,9%</b>
Capital	16.000,00	100,0%	16.000,00	59,7%	16.000,00	20,8%	16.000,00	4,1%
Reservations	0,00	0,0%	0,00	0,0%	5.985,00	7,8%	46.872,97	11,9%
Profit and Loss for the Year	0,00	0,0%	5.985,00	22,3%	40.887,97	53,1%	247.787,95	62,9%
<b>Long-Term Liabilities</b>	<b>0,00</b>	<b>0,0%</b>	<b>0,00</b>	<b>0,0%</b>	<b>0,00</b>	<b>0,0%</b>	<b>0,00</b>	<b>0,0%</b>
<b>Short-Term Liabilities</b>	<b>0,00</b>	<b>0,0%</b>	<b>4.835,93</b>	<b>18,0%</b>	<b>14.158,95</b>	<b>18,4%</b>	<b>83.191,82</b>	<b>21,1%</b>
Social Security	0,00	0,0%	529,63	2,0%	529,63	0,7%	595,83	0,2%
Other Creditors (H.P.)	0,00	0,0%	4.306,30	16,1%	13.629,32	17,7%	82.595,98	21,0%
<b>Total Permanent Resources</b>	<b>16.000,00</b>	<b>100,0%</b>	<b>21.985,00</b>	<b>82,0%</b>	<b>62.872,97</b>	<b>81,6%</b>	<b>310.660,92</b>	<b>78,9%</b>
<b>Total Other Resources</b>	<b>0,00</b>	<b>0,0%</b>	<b>4.835,93</b>	<b>18,0%</b>	<b>14.158,95</b>	<b>18,4%</b>	<b>83.191,82</b>	<b>21,1%</b>
<b>Total Liabilities</b>	<b>16.000,00</b>	<b>100,0%</b>	<b>26.820,93</b>	<b>100,0%</b>	<b>77.031,92</b>	<b>100,0%</b>	<b>393.852,73</b>	<b>100,0%</b>
<b>Maneuver Fund</b>	<b>0,00</b>	<b>0,0%</b>	<b>9.935,00</b>	<b>37,0%</b>	<b>54.772,97</b>	<b>71,1%</b>	<b>306.510,92</b>	<b>77,8%</b>

Source: own elaboration

## **2. THE COMPANY**

### **2.1. Company's presentation**

The online store will be created in 2018 and will receive the name 'Moreclothing, more than clothes'. It will arise to solve the lack of ecological textile products for sport, Fitness more specifically, in the current market through the Internet, making a link between the producers and customers, and thus satisfying the needs of a specific segment of customers.

The main objective of Moreclothing will be to offer high-quality products to the customers, to satisfy their needs and to facilitate delivery in the fastest and most efficient way possible, as well as, to protect and care for the environment with the commercialization of materials that use ecological manufacturing processes.

### **2.2. Mission – View - Values**

#### **2.2.1. Mission**

To offer high-quality products that respect the environment and are accessible to anyone interested in performing some type of physical activity.

#### **2.2.2. View**

To become recognized by our customers as an innovative company that respects the environment.

#### **2.2.3. Values**

For the company the most important are customers and their full satisfaction, as well as the care and protection of the environment. We also take into account the rights and working conditions of our workers and suppliers.

### **2.3. Description of the activity / Lines of business / Products and Services**

The main purpose of this project is to be a website, online store, which will be responsible for offering, at a very competitive price, and distribute top quality textile

products to the customers. We will only sell sportswear composed of 100% ecological fabrics, which will have certificates that guarantee this characteristic and we will do it around the national geographic area.

The reasons I am based are, mainly, the lack of this type of textile products in the current market and the uncommon that are still among people who are interested in practicing any kind of sports. Basically, I have seen this opportunity because the awareness with the environment is increasing and also a healthy routine.

### **2.3.1. Strategic objectives**

- To launch a wide range of ecological textile products of the highest quality.
- To meet the demand of the consumers in the best and most efficient way possible.
- To build full trust and security to customers and suppliers.
- To offer a high-quality and safe service.
- To increase market share by 10%.
- To make yourself known to a greater number of customers.
- To collect 25% of the investment made within the first year.

### **2.3.2. Lines of business / Products and Services**

The textile products that I will commercialize in the online store correspond to sportswear. I will offer leggings, both short and long, shorts and also long pants, T-shirts, sport tops, sweatshirts with or without hood, socks and running shoes. All of them suitable for practicing any physical activity related to Fitness, reaching the primary necessity to equip ourselves for the execution of such a physical activity.

The product lines I will commercialize are two, the women's clothing line and the men's clothing line. In reference to women's clothing I have: pants, sports tops, t-shirts, leggings, sweatshirts, socks and running shoes. And in reference to men's clothing we have the same products, except sports tops and leggings.

Characteristics of the products that I will offer:

- Ecological fabric
- Comfort
- Light weight
- Breathable
- Fast dry

I will also offer an after sales service, different forms of payment totally safe and a fast and precise delivery service in order to reach their destination in the shortest possible time. In addition, I will offer a great and personified customer service for any enquiry, suggestion, claim or complaint. For example, if any customer wants to return or change his/her purchase it may do it easily and quickly. There will also be a chat in the website and different Social Networks available for customers who would like to ask any question that arise at the time of the purchase, as well as making any kind of positive or negative comments about our company or products, which will be used to improve our service.

#### **2.4. Market definition: delimitation and quantification**

At this point I will comment on the stage of market life in which my business is placed. It is a growing market in which I will burst into commercializing sportswear different from that sold by other stores, taking advantage of the boom of ecological products.

In addition, I will define the profile and characteristics of my customers, who will be people, both men and women, between 16 and 55 years who are fans of sports, more specifically Fitness, and also have a great environmental awareness and are willing to buy products that care for and respect our environment. Taking into account that the purchasing power of my customers is indifferent to me, since the prices are very competitive, any customer will be able to purchase what he needs without having to pay a high amount of money.

## **2.5. Innovation. Differential value**

The differential value of the garments that I will commercialize is their fabrics, which are made from fully ecological raw materials such as cotton, flax or vegetable fibers, and all grown by means of organic farming processes, as well as their production applying environmentally-friendly manufacturing processes. Both aspects contribute to the reduction of environmental pollution and care of our environment. And my garments are also of benefit to the care of the skin of the people who wear them, since they are not treated with chemical substances (Ecología, s.f.).

In addition, it is very important to take into account that the manufacture of this type of ecological fabric uses less energy increases the durability of the garments that are made from them and makes a fair wage payment for employees working in their manufacture (Eco, s.f.).

Apart from the above mentioned aspects, a label called Made in Green has been created and stores that commercialize clothing made from environmentally friendly fabrics can obtain it, with the main aim of easily being distinguish from stores that commercialize clothing made from regular fabrics, so customers can be sure that their products are fully ecological (Eco, s.f.).

Considering that there are other labels that certify that the products have been produced with fully ecological fabrics and applying environmentally- friendly manufacturing processes, such as the European Community Ecolabel and Oeko-Tex Standard 100 (Febrero, 2011).

The objective of the company, in the short term, will be to obtain as many of these certifications as possible, in order to collaborate with the respect and care of the environment and to try to cope with the climate change and sensitization of all people interested in acquiring our garments.

### **3. IDENTIFICATION, DESCRIPTION AND ANALYSIS OF THE OPPORTUNITY**

#### **3.1. Definition of the opportunity detected**

The opportunity detected to carry out this project arises from the lack of textile products that meet both, the primary necessity to equip ourselves to do a physical activity as to protect the environment. Both aspects have been fundamental in deciding to create an online store that offers this type of ecological garments and guarantees its high-quality.

In order to be able to create this online store and to be successful, the company has opted for a type of commerce, called E-Commerce, which is booming due to the continuous use of new technologies and electronic devices with which we currently have (Anonymous 1, 2016).

In addition, according to the latest report of the Economic and Social Council, E-commerce has experienced a huge growth in recent years, turning over more than 22 million euros, which represents the 23 percent in economic terms. This can be of benefit to our company because it will provide us great opportunities in the current market, with more than 70 percent of consumers using the internet to make purchases (Urbano, 2017).

Computers are the most commonly used tool for consumers to make purchases through the internet, however the use of smartphones and tablets is increasing due to the convenience (Anonymous 2, 2017).

For this reason my future customers will be able to access our online store from any computer, smartphone or tablet, simply by having an internet connection, and the company will adapt the web to any current and future technological device providing maximum security and reliability in transactions.

This type of trade has a number of advantages over traditional trade. As a main advantage I see an excellent possibility of purchase during the 24 hours of the day and 365 days of the year. Another important advantage is that there are no geographical barriers, that is, the purchaser can access products anywhere in the world. In addition online commerce gives to the customers the possibility of finding any product without leaving home (Anonymous 1, 2016).

There are other advantages for stores that decide to use E-commerce such as, they do not need to have a physical store to commercialize their products, which means a reduction of the expenses, and it is also important to say that it is an unlimited trade, so they can reach customers from other parts of the world and thus having a higher level of sales (Rodriguez, 2013).

It is increasingly safe to buy online, although there are still people who do not totally trust buying online giving their bank information or that the product arrives in bad conditions, or even that never comes. Therefore, an essential element is the method of payment and delivery of the products, which must be fully safe in order to eliminate any kind of insecurity and uncertainty from online purchasers, in addition to giving them the option to receive their product in the shortest possible time if they wish, pick them up at the store, receive them at home or at a collection point other than the store (Ibañez, Liege, Lostalé, Casado, 2016).

### **3.2. Problem stuck - solution**

Pollution is a really important factor at present, since pollution levels are increasingly high and this causes the destruction of our planet, many species are becoming extinct, the ozone layer is increasingly affected and this causes in turn the increase of the temperature in the planet melting glaciers, which increases the level of the water in the sea and also involves important changes in the temperature all around the planet (Cisneros, s.f.).

These problems come from a very poor care of the planet caused by human being during the last years, the massive building construction, the felling of trees, the bad recycling of our trash, the toxic waste that is thrown to seas and rivers, the emissions of chemical substances, etc. (Anonymous 3, s.f).

For all this, and in an effort to contribute to the reduction of the planet pollution, the company will only offer garments made from ecological fabrics applying environmentally friendly industrial techniques and respectful working conditions of the employees. Moreover, these garments also bring benefits to the health of the people who wear them, since this type of ecological fabrics allow greater transpiration (Racataplan, 2017).

### **3.3. Analysis of the general environment (PESTEL)**

In this section an external analysis of the environment will be carried out, using the PESTEL analysis, where these five factors will be evaluated: political-legal, economic, sociocultural, technological and ecological factors. With all these factors we will try to evaluate the current and future situation of the sector and determine the threats and opportunities for the company, which will be used later to carry out the DAFO analysis (Priede, López and Benito, 2010).

#### **3.3.1. Political - Legal factors**

In this section I will take into account those political factors that may affect the company (Priede, López and Benito, 2010).

After the economic crisis suffered in Spain since 2008 the Spanish Government has carried out a series of economic reforms. Because of this, in recent years, a series of laws have been established that provide facilities and support for entrepreneurship and the recruitment of qualified young people, with the aim of increasing employment and improving the economy of the country.

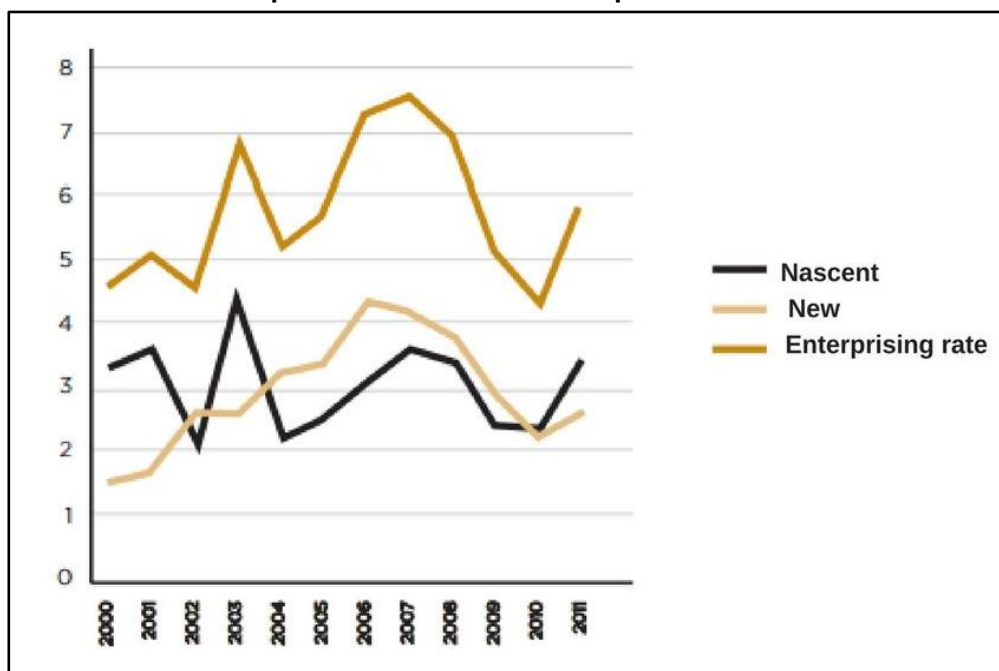
- Law 14/2013, on September 27th, on Supporting Entrepreneurs and their Internationalization (National Reform Program, 2016), which establishes measures regarding the second business opportunity, the reduction of business barriers and internationalization.
- Law 20/2013, on December 9th, Guaranteeing the Market Unit (Official State Bulletin 295, on December 10th in 2013), which establishes the basic principles and norms that guarantee the market unity in order to create a much more favorable environment to competition and investment. By facilitating the economic agents who can benefit from the gains in terms of productivity and costs, in favor of job creation and growth, and to benefit consumers and users who will have greater access to quality products and services.
- Royal Decree-Law 4/2013, on February 22nd, on measures to support entrepreneurs and stimulate growth and job creation (Official State Bulletin 47, on February 23rd in 2013), which adopts measures aimed at developing The



Young Entrepreneurship and Employment Strategy, to promote business financing through alternative markets, to reduce delinquency in commercial operations and promote the competitiveness of the Spanish economy.

In the graph below (Graph 1), it is shown the evolution of the entrepreneurship rate between 2008 and 2011. There has been a considerable decline since 2007, when the first signs of the economic crisis in which Spain was submerged began to be seen, until 2010, when the rate of entrepreneurship experienced a significant increase.

**Graph 1. Evolution of the entrepreneurial rate**



Source: Global Entrepreneurship Monitor

In addition to the laws established in order to encourage entrepreneurship among the Spanish population, subsidies can be found that support this action. The most frequently requested are those for start-ups, companies for training courses, for self-employed and, finally, grants for young entrepreneurs (Kaidi, 2016).

I am also going to take into account the fiscal policy in Spain that may affect the company.

Article 31 of the Spanish Constitution establishes that everybody will contribute to the maintenance of public expenditures according to their economic capacity through a fair

tax system inspired by the principles of equality and progressivity that, in no case, will have a confiscatory effect.

According to the Fiscal Policy section of La Moncloa, both in January 2015 and January 2016, a tax reform was carried out aimed at boosting economic growth, creating employment and improving business competitiveness, through the configuration of a more equitable tax system that entails a tax reduction.

To conclude with this point, I can affirm that I will take into account any future change that will occur in the political - legal field and may directly affect the company, if this is the case.

### **3.3.2. Economic factors**

In this section I am going to talk about the economic aspects and conditions that will be taken into account for the development of the business activity.

On one hand, the economic crisis that Spain has endured in recent years has been decisive when starting a new business because people have a lower purchasing power and this causes a series of negative effects on the performance of any company. Little by little we are seeing how the economy is growing and unemployment is decreasing, however its rate is still high (García, 2016).

On the other hand, according to the Bank of Spain, PIB is expected to grow by 2.3% in 2017 and the activity of the Spanish economy is expected to present a favorable framework.

This point is important to have it under control and to closely monitor the changes that occur in the Spanish economy, since they can directly affect our project. Therefore, I believe it is best to know whether the economy is booming or becoming stagnant, or even getting worse.

### 3.3.3. Socio – cultural factors

In this section I will focus on Spanish society, since it is fundamental to know the characteristics of the market in which I am going to develop the activity, and for this I will have to analyze the lifestyle of the population and the demography of the country.

According to the National Institute of Statistics, the resident population in Spain is 46,445,828 people, of whom 22.809.420 are men and 23.636.408 are women.

According to a report by the Ministry of Education, Culture and Sport, the Spanish population thinks that their health is adequate. But as we can see in the table below (Table 4), it is showed the percentage of times that both, men and women, do a physical activity and the percentage of people who do not do any exercise in their daily routine, and we can see that it is greater than the percentage of people who do a physical activity regularly.

**Table 4. Percentage of physical activity done**

	<b>Never</b>	<b>From time to time</b>	<b>Several times a month</b>	<b>Several times a week</b>
<b>Men (%)</b>	29,96	36,75	16,68	16,61
<b>Women (%)</b>	38,86	41,01	10,11	10,02

*Source: own elaboration from the Ministry of Education, Culture and Sports.*

### 3.3.4. Technological factors

In this section I am going to talk about the evolution and technological research. As we know, technology is essential in our day-to-day, both work and family life, since we are increasingly interconnected.

For the creation of my company will be very significant to know the technological advances and changes that can be experienced in this field, because of the company is based on a computer platform and, therefore, has to keep in mind a continuous technological update. So it will be crucial to be very aware of these technological improvements and how can be adapted to my company.

As stated in the INE (2016) R & D expenditure in Spain in 2015 is 13,171 million euros, equivalent to an annual rate of 2.7% and a percentage GDP ratio of 1.22%.

In the table below (Table 5), it is shown the investment in R & D carried out by Spain in the years 2013, 2014 and 2015. We can see that the annual rate of R & D expenditure corresponding to the first two years is negative, while in 2015 there is a considerable increase in R & D expenditure.

**Table 5. I+D expense in Spain**

<b>I+D EXPENSES IN SPAIN</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Volume (in million €)	13011	12821	13171
Annual rate (in %)	-2,8	-1,5	2,7
Percentage on PIB (%)	1,26	1,23	1,22

*Source: Own elaboration from INE*

### **3.3.5. Ecological factors**

At this point I will talk about the environment policy established in Spain. This represents a very important factor for the company, since one of the main objectives of the project, as I have said before, will be the respect and care of the environment.

According to the environment section of La Moncloa from the government of Spain, to help reduce the emission of polluting gases into the atmosphere, has promoted the so-called Environmental Impulse Plan (PIMA). Within this plan will be found plans for air, sun, land, transport, waste, company, and lastly, PIMA Adapta (La Moncloa, 2017).

We can also see other projects that have been developed as Climate Projects aimed at reducing CO<sub>2</sub> emissions, with these aims to achieve the goal of reducing to more than 4 million tons of CO<sub>2</sub>. The Roadmap program of diffuse sectors, with the aim of reducing emissions of diffuse sectors by 10%. And, lastly, the Carbon Footprint Registry, compensation and CO<sub>2</sub> absorption projects that links the calculation and reduction of the carbon footprint in companies with the promotion of national sinks (La Moncloa, 2017).

## **4. BUSINESS MODEL DESIGN**

### **4.1. Definition of the business model (using CANVAS model)**

#### **4.1.1. Differential value**

As I have already mentioned, the main value that differentiates my company from other competitors is the composition of the garments, since the fabrics used for their manufacture are fully ecological and this contributes to the care of the environment. As well as having other advantages for both, people who purchase our clothes as they protect their skin and employees who manufacture them respecting their working conditions.

Other important advantages that I would like to offer my customers are such as fast and easy access to our website, safe payment of their purchases, having the possibility to place the order from their own address and without time slot, and also focusing on the after-sales and delivery service to achieve their full satisfaction and build loyalty and reputation.

#### **4.1.2. Customers – customer relations**

It will be essential to know, with the highest possible precision, what kind of customers we will put our efforts into. Being the market segment more propitious men and women between 16 and 55 years who routinely exercise during their weekly routine and has a high awareness of the problem of climate change and the need to take action to reduce its impact.

With regard to customer relations, the main aim will be to offer a fast and precise delivery service, as well as excellent customer service. By providing a chat and Social Networks, within our website, where customers can make any kind of inquiry or comment about our products and deadlines and I will give them an instant response, so they can continue with their purchase and feel a personalized attention and closeness relationship with our company. This way may allow us for getting more reputation and sales through the positive viral advertising generated by the customers themselves.

#### **4.1.3. Channels**

The sales will be made exclusively through the Internet, so the only marketing channel will be the online store.

In addition, my customers will have the possibility to contact our staff for any kind of inquiry, comment, claim or complaint, through the most popular Social Networks, e-mail or chat.

#### **4.1.4. Key resources**

The key resources that the company will have to carry out this project will be such as the team of qualified professionals that belong to it, its own Website and Social Networks, and the most appropriate suppliers. These resources will be crucial in order to run our company in the most efficient and professional way possible for my customers.

Another crucial resource will be the capital necessary for the startup and development of the project, especially at the beginning of the activity where the investments are higher and profits are lower, since it is a new company and there is a lot of competition.

#### **4.1.5. Key tasks**

The key activity in this project will be to act as a channel between the final consumers and suppliers of the garments that I will later commercialize through our online store. In order to achieve this, it will be crucial to search for qualified suppliers who manufacture garments with the characteristics we are searching, as well as to ensure a good relationship and beneficial contractual conditions between our company and these suppliers, and thus guarantees the maximum quality and safety of our products to my customers.

#### **4.1.6. Partners**

Partners that will have our company will be my own suppliers, who will provide us fully finished products in order to we will later commercialize them through our online store,

and certifying that their products have been made from fully ecological fabrics and have the international label Made in Green. They must also ensure us that their products are high quality and have at our disposal a large range of designs in line with current fashion. Besides the fact that they must ensure us that their products have been manufactured applying environmentally friendly manufacturing processes and good practices in terms of the working conditions of their employees.

#### **4.1.7. Income flow - revenue lines**

At this point I will detail the ways with which customers are able to pay for clothes purchased in the online store, and at the same time it will be the mechanism through which the company will receive their income. These available payment systems will be:

- Credit card
- PayPal
- Bank transfer

The company will ensure that payment ways are extremely safe and reliable in order to avoid any inquiry and eliminate the insecurity that still exists in some people to purchase online. It should be noted that our customers will pay for their products in cash at the same time as the purchase, so it will not be possible to pay in installments, which means that the full amount will be charged.

#### **4.1.8. Expenses flow**

General expenses to which the company will face will be such as, apart from the taxes generated by the creation of the company itself and the annual taxes. First, the expenses associated with acquiring a platform necessary to run our online store, as well as its domain and hosting. These expenses and taxes will be the most important because our platform must have the latest technology that exists in the current market and enough internet connection available in order to develop our economic activity without any problem, as well as the obligation on the part of our company to be up to date with payments to the Tax Agency. Second, the salaries of my employees and their corresponding Social Insurance taxes, as well as the Insurance of the company itself.

Thirdly, the company should also take into account the expenses generated by the rent of the workplace where the activity will be developed, including bills for electricity, water and the internet connection. Although in my case they will not be very high because I will be rent an office in a coworking where companies placed there share all the expenses and bills.

Finally, payments that must be made to my suppliers in exchange for their products and these payments will be made in full cash. In addition to the expenses associated with transportation to reach goods purchased to the final consumer, so an independent transport company will be subcontracted.

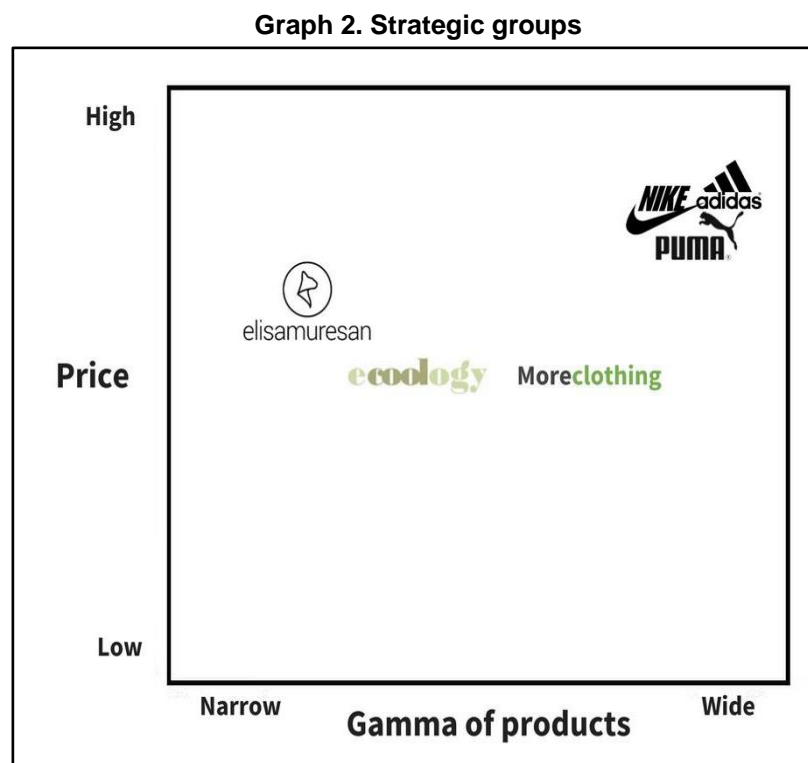


## **5. COMPETITOR ANALYSIS**

### **5.1. Identification and analysis of the strategic group**

A strategic group is "a set of companies in an industrial sector that follow the same or similar strategy along the strategic dimensions" (Guerras and Navas, 2007, p.190).

In the graph below (Graph 2), it is shown the different strategic groups in the textile industry, taking as basic variables to analyze the price and the range of products. In first place we can find the set of companies corresponding to the most well-known sports brands like Nike, Adidas and Puma, that have the widest product range and also the highest price. In second place is the company to which this project refers, Moreclothing, which has a less range of products but is characterized by having lower prices. Next is the company called Ecoology, whose prices are at the same level as my company but the range of products offered is narrower. And, finally, is the company called Elisamuresan, whose prices will be above both, my company and Ecoology, but below the big brands, and its product range is the narrowest of all brands that form this strategic group.



Source: Own elaboration

## **5.2. Identification and analysis of competitors**

At this section I am going to carry out a more detailed analysis on my competitors in the sector, given the great importance of creating a new company to have a wide knowledge of the competition that will be faced, with the main purpose of aiming to offer greater satisfaction when it comes to meeting the needs of customers which will entail obtaining a greater market share.

This analysis shows three different levels of competitors:

I am going to begin by analyzing, within the competition in product form, those competitors that present characteristics similar to those that Moreclothing commercializes but without obtaining any similar result in the current market, since there is no other company that commercializes sportswear made from ecological fabrics. Therefore, the company will not have direct competition.

I am going to continue by analyzing, within the category competition, those competitors that have online stores, which commercialize organic clothing, such as Ecoology and Elisamuresan. An important difference between the new company and the two mentioned above is that they commercialize clothes for daily wear and my company commercializes sportswear, specialized in Fitness. Therefore, even though they also commercialize clothing with similar characteristics, both are ecological clothing, these have a different functionality for consumers, as well as Elisamuresan commercializes only women's clothing, while my company commercialize both men's and women's clothing. It also attracts attention that in these companies are not commercialized footwear, however in our company will be commercialized sport shoes as well. Another remarkable aspect is that these companies, apart from the platform to commercialize their products through the Internet, have physical stores, which may be a great competitive advantage as customers have a physical place to see and try on their purchases. And with it they may also solve the problem that my company meets in the sale of products to those customers who have certain reticence when making purchases on the internet.

Regarding the difference in prices between these two companies and mine, we can see that my prices offered are very similar to those offered by the competition, with the difference that Elisamuresan offers prices a little above those from Ecoology and Moreclothing.

Finally I will analyze, within the generic competition, the most well-known sports brands in Spain and internationally, such as Nike, Adidas and Puma. These three sports brands have very similar characteristics and meet the needs of the consumer sector who only search for world-famous and the highest quality possible sportswear without any additional features, unlike our customers who search for sportswear made from ecological fabrics that respect and care for the environment. They also have very similar characteristics between them and therefore they are identified within the same group of competitors, as well as showing a highly valued brand image recognized by any consumer of sportswear. Their products are usually high priced and have a wide range available to consumers, from clothing and footwear to accessories. To these aspects it must be added another that is considered of great importance and it is that they have stores all over the world and their products can also be purchased through the Internet, meeting the need of any customer and the entire world market.

In the table below (Table 6) we can observe the different competitors with their main characteristics.

**Table 6. Competitive characteristics**

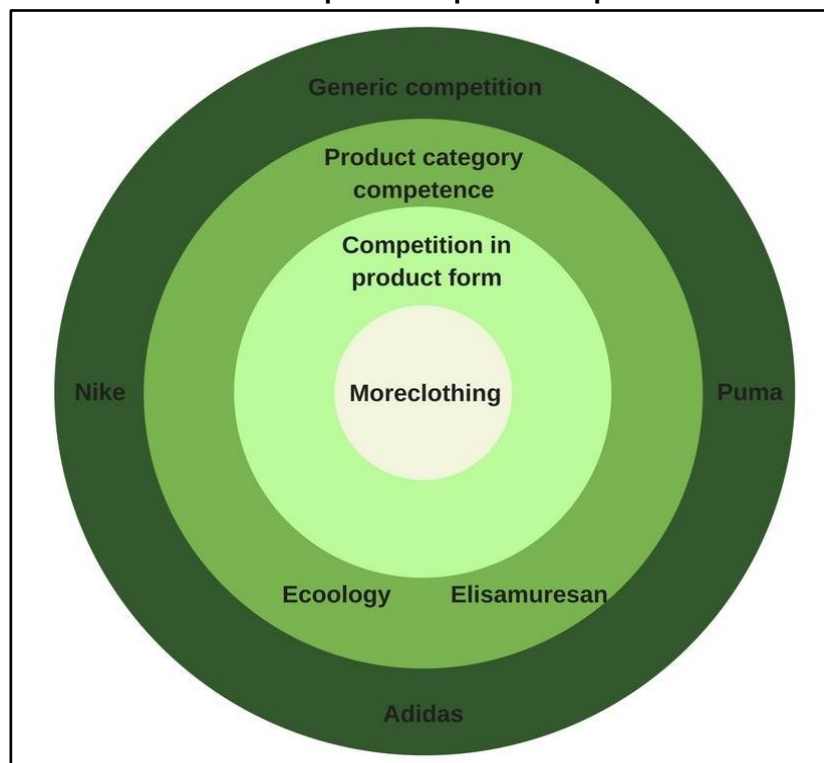
	<b>CHARACTERISTICS</b>
<b>MORECLOTHING</b>	<p>Its clothing are made from with ecological fabrics and environmentally friendly industrial processes.</p> <p>It exclusively offers sportswear, specialized in Fitness.</p> <p>It offers sports shoes.</p> <p>It has line of clothes for men and women.</p> <p>It offers internet sales.</p> <p>It has very competitive prices.</p>
<b>ECOLOGY</b>	<p>Its clothing are made from with ecological fabrics and environmentally friendly industrial processes.</p> <p>It offers daily wear clothing.</p> <p>It does not sell footwear.</p> <p>It has line of clothes for men and women.</p> <p>It offers both internet sales and physical store.</p> <p>It has very competitive prices.</p>
	Its clothing are made from with ecological fabrics and

<b>ELISAMURESAN</b>	<p>environmentally friendly industrial processes.</p> <p>It offers daily wear clothing</p> <p>It only sells clothing for women.</p> <p>It offers both internet sales and physical store.</p> <p>Its prices are slightly higher than the two previous companies.</p>
<b>NIKE, ADIDAS, PUMA</b>	<p>Their clothing are made from regular fabrics.</p> <p>They offer sportswear, sports shoes and accessories to practice all type of physical activities, as well as daily wear clothing.</p> <p>They offer both internet sales and physical stores all around the world.</p> <p>They have line of clothes for men and women.</p> <p>Their prices are very high.</p> <p>They are well-known brands high-valued by consumers.</p>

Source: Own elaboration from the website of each company.

In the graph below (Graph 3) we can see the map of the different levels of competition that the company will face.

**Graph 3. Competition Map**



Source: Own elaboration.

## **6. SWOT ANALYSIS**

At this point I will analyze the threats and opportunities that the company will find, both in the specific and general environment, as well as its weaknesses and strengths which the company presents (Priede, López and Benito, 2010).

### **6.1. Weaknesses**

- The company will be little known by the consumers, due to the novelty of the same, and many of its possible customers will not be aware of its existence. Due to this lack of knowledge the market will not have the opportunity to buy the products and will not know that they can find clothes with characteristics like the ones that own garments that will be commercialized.
- Dependence on the prices offered by my suppliers, which will supply me with the selected products in order to later commercialize them to my customers through the online store, so I will have a small bargaining margin. As a result, the profit margin will be higher if the order volume is also higher.
- I will only distribute my products through the Internet; as a consequence I am leaving aside other distribution channels that may imply an increase in my sales volume. This fact is due to the existence of customers who prefer to avoid purchases online or will not rely entirely on this method, or will simply prefer to move to a physical store in order to be able to better see the product on first hand and have the possibility to try it on.

### **6.2. Threats**

- The current economic crisis that still affects the country entails a decrease in consumption by part of the whole population. Some consumers do not have enough economic resources to purchase certain products that are not essential in their day to day life. Therefore, a brand with characteristics as specific as mine that may have prices higher than other basic brands makes some consumers to focus on the price and not the quality of the product, or even how

those products were made from, which is our case.

- Huge and well-known brands in this sector, as Nike or Adidas, may launch products with the same characteristics as those commercializes the company and may take away an important part of the market segment. Since they have a high purchasing power and negotiation with their suppliers, and enjoy a huge reputation and loyal customers.

### **6.3. Opportunities**

- In recent years we have seen a growing awareness of the impact of climate change on our society. That is why more and more people would like to collaborate, through small actions such as the purchase of ecological products, to minimize the effects of climate change.
- My company may have the opportunity to open a physical store for the sale of its products, assuming a correct and beneficial evolution in the activity, where the consumers may directly purchase any product. This point is related to one of the weaknesses mentioned above.

### **6.4. Strengths**

- Good image of my brand, since the products that I will commercialize are made from ecological fabrics and using techniques respectful to the environment and working conditions of employees in charge of their manufacture. Inciting to purchase my products those consumers who are aware of the care of the environment and thus may collaborate with the reduction of the pollution.
- I will offer a wide range of innovative and high quality products, since in the usual stores you can not find products with our characteristics and design.

- I will offer as much information as possible about my products in the online store and my customers will be able to visualize, in a simple and transparent way, the products that they like before making the purchase. As well as offering a wide availability time for the purchase of my products, since the orders can be made at any time and day of the year. Likewise, the company will reply any enquiry, comment, claim or complaint at the same time that it is made and proceed to the delivery of the order as quickly and efficiently as possible.

In the illustration below (Illustration 2) it is shown the SWOT analysis mentioned above.

**Illustration 2. SWOT analysis**



*Source: own elaboration*

## **7. MARKETING PLAN**

### **7.1. Marketing mix**

Marketing mix is the set of operational tools in marketing that the company uses to obtain the desired response from the target audience (Kotler, 2004).

#### **7.1.1. Product**

The company will make available to customers sportswear, which will be focused on Fitness and made from ecological raw materials. The products I will commercialize range from short-sleeved shirts and tank tops, shorts, pants, leggings, sweatshirts with and without hood, and finally, we will also commercialize sport shoes. We will have two lines of products: women's clothing and men's clothing.

The main feature of my products will be the materials from which they are made. But in addition to fabrics made under environmentally friendly manufacturing processes, I must ensure that they are appropriate for their intended purpose, physical activity; in other words, that they are comfortable to wear, stretchy, breathable and fast dry during physical exercise.

In the illustrations below it is shown images of the products I will commercialize.

**Illustration 3. Fitness t-shirt**



*Source: google image*



**Illustration 4. Top and tank tops**



*Source: google images*

**Illustration 5. Sweatshirts**



*Source: google images*

**Illustration 6. Leggings**



*Source: google images*

**Illustration 7. Shorts and pants**



*Source: google images*

**Illustration 8. Sneakers**



*Source: google images*

### **7.1.2. Price**

Price is a very important factor since it is the only marketing mix variable that generates income for the company (Kotler y Keller, 2012).

The products I will offer are between €20, which corresponds to tops, t-shirts and shorts, and €100, which corresponds to sport shoes. The different prices of each product can be seen in the table below (Table 7).

**Table 7. Product prices**

<b>PRODUCT</b>	<b>PRICE</b>
Tops	€20-25
T-shirts	€25-35
Sweatshirts	€35-55
Pants	€30-60
Shorts	€25-35
Sneakers	€80-100

*Source: own elaboration*

I will use promotional prices that will consist of a reduction in price of some of the products during a specified period of time.

- Sales
- End-of-season sales to clear product stock
- Individual promotions to increase sales of a specific product

### **7.1.3. Distribution**

Distribution includes all activities whose purpose is to make the product reach the end consumer (Priede, López and Benito, 2010).

In this section, I am going to choose the most efficient way to distribute my products. The channel that I will use to commercialize them is the internet through an online store. In addition, in order to deliver my products to the consumers will hire an independent professional transport service as SEUR, which will transport the products that the customer has requested after placing their order through our online platform.

### **7.1.4. Promotion**

This refers to the activities through which try to create useful information from the processes of communication between the company and the end consumer (Priede, López and Benito, 2010).

I will mainly use two tools such as sales promotions, offering my customers half off the second unit or 2-for-1 on my products for a specified period of time, and direct marketing, through which I would like to interact with the customers and contact them directly, whether via telephone, email, chat or Social Networks (Priede, López and Benito, 2010).

Besides these two tools, to achieve customer loyalty, once a year I will make a special offer solely to those customers who are loyal to our company so that they feel that I am giving them special treatment and continue to trust in us and keep buying my products.

## **7.2. Communication plan**

For the company, it is very important to transmit to our customers an image that is consistent with the values that we wish to promote with our business. Therefore, I would like to transmit a concern for the environment, the need that people be aware of it and that I act on what I say, taking small actions to reduce the impact on the environment as commercializing ecological clothing. From the website, a blog can be accessed in which one post per week will be published, dedicated to environmental topics, fitness, advantages of ecological clothing, etc.

A really important aspect in the communication plan will be the name and logo of my brand, since it will be a factor that my customers directly identify with our product. In the illustration below (Illustration 9) it is shown the logo that the company will present to the market.

**Illustration 9. Moreclothing logo**



*Source: own elaboration*

In the first months, to make our business known, what I will do is to create flyers and posters to introduce our products to the current market. Besides having physical posters, we will also include them on my Social Networks so that they reach the largest audience possible. This process will be carried out in the months before Christmas, advertising the new season, since it is a period in which consumption increases and I would like to take advantage of it and remind our customers of the existence of our online store. One aspect that I will also have to take into account is the bags in which we deliver our products to the customers. In their design, I will situate our brand's logo, name and our contact phone number, email and Social Networks.

Given the high financial costs that come with an advertising campaign, the company will place great importance on its presence on social media such as Facebook and Twitter, since this type of communication is increasingly important, especially among young people, and it is easier and faster to transmit the information we want. We will try to post updates to Facebook or Twitter at least two or three times per week. Here, I will also occasionally publish articles that seem interesting to me about climate change, the importance of protecting the environment or how important organic clothing may be for this, and articles about the importance of a fitness routine. With this type of communication, I wish to get closer to my customers and have a bilateral communication with them.

I will also use mailing with the regular customers to keep them informed about new promotions or new products that will be available to them. This action will be performed only when I have some news or sale that might interest the customers, so that they only receive what is really important, since if we constantly send them emails that they are not interested in, they will stop reading them.

With these actions, I will intend to communicate with the customers about any sort of news about my products or any sale that could be of interest to them. We will also want to capture new customers and want for our existing customers to talk about the store in order to achieve a greater segment of customers through word of mouth.

These actions will be performed by the person in charge of maintaining the web page, since they are the one responsible for the informatics of the store and therefore the most qualified to develop them.

Apart from all of this, I would also like to perform sponsorship activities at conferences or events related to the environment and fitness, to achieve greater visualization in the market.

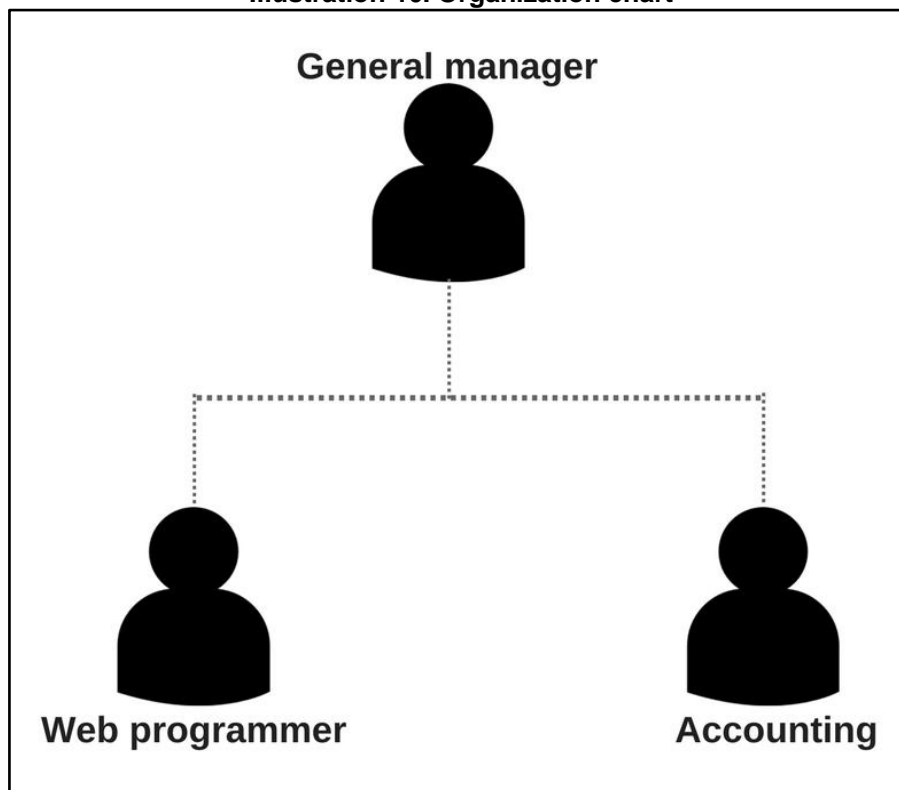
## **8. Human resources plan**

At this section I am going to talk about the work team that we will need to hire in order to run our company as best as possible, which will be formed by professionals who have accurately defined their tasks. My employees will be a very valuable capital due to thanks to them the company may continue growing day by day and it will be important to have them satisfied and motivated in order to get their full involvement to do their tasks quickly and efficiently (Sucunza, s.f.).

### **8.1. Functional organization chart**

In the illustration below (Illustration 8), it is shown the functional organization chart of the company, in which will be found all the employees that will be part of our organization.

**Illustration 10. Organization chart**



*Source: Own elaboration*

The functions that each employee will perform in my company will be the following:

- The Programmer of my website, as we have said in previous sections, will be mainly responsible for the management of the company's website and Social Networks, to guarantee its continuous updating, monitor any problem that may arise with my platform in order to prevent the customers from accessing it. He or she will also be the responsible for responding to the customers across through the chat, email or Social Networks, and solving inquiries that they may have. In addition to this he/she will be in charge of the communication, diffusion in social networks, publications in the blog of our company and of the mailing to our customers.
- The responsible for accounting will be basically responsible for the finances and that the accounts of my company will be always in order and updated in order to have full transparency in our management.
- And finally, the General Manager of the company, who will be the owner as well, will mainly deal with establishing relationships with suppliers and hire the transportation service, as well as being in charge of the public relations. He/She will also be supervising and supporting the rest of our employees in order to avoid mistakes when developing their tasks, as well as performing as a leader because it is a small company.

## **8.2. Collaborators**

The company will only have the collaboration of logistics companies, which will be responsible for delivering to our customers the products that they have purchased through my online store.

These collaborators will be very important to us as we would like to show my customers an image of a company that offers a great delivering service, so the logistics companies that will collaborate with me must present these characteristics in order to satisfy my customer as much as I will do.

My main collaborator will be SEUR because it has a lot of experience and reputation in its sector and has an exclusive section for online businesses that offers different options such as deciding when, where, and how to receive their orders. This service is



also much more convenient, safer and faster, in order to make returns easier and it has the option of tracking orders to see where are at any time.

My company has chosen this collaborator not only because of its services but has also taken into account the gas emissions related to the transportation service, which should be the environmentally-friendly. Therefore, SEUR must guarantee me that respects and cares for the environment through compromising to reduce CO2 emissions and measuring the emitted carbon footprint.

## **9. Financial plan**

In this section I am going to analyze whether the start-up of my company will be economically viable and generate profits throughout its activity, or not.

### **9.1. Investment plan**

As it is show the table below (Table 8) the company will not only depend on initial investments but will also take into account the investments made in the acquisition of the last generation computer applications, which will correspond to the acquisition of the platform that I will need in order to run our online store. This investment will be essential because my company will require the latest technology in the market to be able to develop our economic activity correctly.

Another investment that is shown in the table will be the establishment expenses for a value of a thousand euros that will correspond to payments to the notary, registration and startup of our company (Martínez, 2013).

**Table 8. Investment plan**

Concept	Initial Value	% Depreciation	2.018		2.019		2.020	
			Investments	Depreciation	Investments	Depreciation	Investments	Depreciation
Property,plants and equipment	0,00		0,00	0,00	0,00	0,00	0,00	0,00
Intangible Assets	15.000,00		0,00	3.750,00	0,00	3.750,00	0,00	3.750,00
IT applications	15.000,00	25,0%		3.750,00		3.750,00		3.750,00
Financial Assets	0,00	n.a.	0,00	n.a.	0,00	n.a.	0,00	n.a.
Amortizable Expenses	1.000,00		0,00	200,00	0,00	200,00	0,00	200,00
Establishment	1.000,00	20,0%		200,00		200,00		200,00
Annual net income	16.000,00		0,00	3.950,00	0,00	3.950,00	0,00	3.950,00
Net book value				12.050,00		8.100,00		4.150,00

Source: Own elaboration

### **9.2. Profit and loss account**

In the table below (Table 9) it is shown the monthly profits and losses balance in the first year of my activity.

We can see that the monthly salary of my employees will be very significant, especially at the start of our activity due to my incomes will be lower.

We can also see that in January will be have to pay for the Property Tax (IBI) to the City Hall, which will cost hundred euros.

In addition, I will monthly have to pay for electricity, water, telephone and Internet bills, which will be belong to other supplies line item, as well as the rent paid for my office. And I will also have to pay for the expenses derived from the subcontracted transportation service and the advertising campaigns launched during the first three months of the year and in the last four.

As a last remarkable note, it is shown that after the first year of the start the activity my company will obtain 5.958 euros as a profit.

**Table 9. Profit and loss account 2018**

														2.018
Concepts	January	February	March	April	May	June	July	August	September	October	November	December	Total	
Sales	12.390,00	16.440,00	18.900,00	22.920,00	26.220,00	26.400,00	22.500,00	21.540,00	23.880,00	26.400,00	23.730,00	22.350,00	263.670,00	
Buying and selling variable costs	10.035,90	13.316,40	15.309,00	18.565,20	21.238,20	21.384,00	18.225,00	17.447,40	19.342,80	21.384,00	19.221,30	18.103,50	213.572,70	
Gross margin on sales	2.354,10	3.123,60	3.591,00	4.354,80	4.981,80	5.016,00	4.275,00	4.092,60	4.537,20	5.016,00	4.508,70	4.246,50	50.097,30	
Wages and salaries	1.708,48	1.708,48	1.708,48	1.708,48	1.708,48	1.708,48	1.708,48	1.708,48	1.708,48	1.708,48	1.708,48	1.708,48	20.501,76	
Social contributions	529,63	529,63	529,63	529,63	529,63	529,63	529,63	529,63	529,63	529,63	529,63	529,63	6.355,55	
Taxes: IAE, IBI, ...	500,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	500,00	
Supplies: light, water, telephone, gasoil	90,00	90,00	110,00	90,00	90,00	110,00	90,00	90,00	90,00	110,00	90,00	110,00	1.160,00	
Indep.Professionals services	200,00	200,00	200,00	200,00	200,00	200,00	200,00	200,00	200,00	200,00	200,00	200,00	2.400,00	
Office supplies	25,00	25,00	25,00	25,00	25,00	25,00	25,00	25,00	25,00	25,00	25,00	25,00	300,00	
Publicity and promotion	50,00	50,00	50,00	0,00	0,00	0,00	0,00	0,00	50,00	50,00	50,00	50,00	350,00	
Insurance Premiums	300,00	300,00	300,00	300,00	300,00	300,00	300,00	300,00	300,00	300,00	300,00	300,00	3.600,00	
Leases	150,00	150,00	150,00	150,00	150,00	150,00	150,00	150,00	150,00	150,00	150,00	150,00	1.800,00	
Other Operating Costs	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	1.200,00	
Fixed Assets Depreciation	329,17	329,17	329,17	329,17	329,17	329,17	329,17	329,17	329,17	329,17	329,17	329,17	3.950,00	
Total Operating Costs	3.982,28	3.482,28	3.502,28	3.432,28	3.432,28	3.452,28	3.432,28	3.432,28	3.502,28	3.482,28	3.482,28	3.502,28	42.117,31	
OPERATING RESULT	-1.628,18	-358,68	88,72	922,52	1.549,52	1.563,72	842,72	660,32	1.034,92	1.533,72	1.026,42	744,22	7.979,99	
FINANCIAL RESULT	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
PROFIT OR LOSS BEFORE TAX	-1.628,18	-358,68	88,72	922,52	1.549,52	1.563,72	842,72	660,32	1.034,92	1.533,72	1.026,42	744,22	7.979,99	
Income tax													1.995,00	
EARNINGS AFTER TAX													5.985,00	

Source: Own elaboration

In the table below (Table 10) it is shown the annual profit and loss chart, where I am going to analyze the evolution of the activity from 2018 to 2020.

As we can see there is an increase in profits over the next two years from the start of the activity, so we can say that my company will have economic viability and this will guarantee the development in the current market.

Table 10. Annual profit and loss account

2.018	2.019		2.020	
Total	Variation %	Total	Variation %	Total
263.670,00	1,00	527.340,00	3,00	2.109.360,00
213.572,70	1,00	427.145,40	3,00	1.708.581,60
50.097,30	n.a.	100.194,60	n.a.	400.778,40
20.501,76	n.a.	20.501,76	n.a.	23.064,48
6.355,55	n.a.	6.355,55	n.a.	7.149,99
500,00	0,00	500,00	0,00	500,00
1.160,00	1,00	2.320,00	3,00	9.280,00
2.400,00	1,00	4.800,00	3,00	19.200,00
300,00	0,00	300,00	0,00	300,00
350,00	0,00	350,00	0,00	350,00
3.600,00	0,00	3.600,00	0,00	3.600,00
1.800,00	0,00	1.800,00	0,00	1.800,00
1.200,00	0,00	1.200,00	0,00	1.200,00
3.950,00	n.a.	3.950,00	n.a.	3.950,00
42.117,31	n.a.	45.677,31	n.a.	70.394,47
7.979,99	n.a.	54.517,29	n.a.	330.383,93
0,00	n.a.	0,00	n.a.	0,00
7.979,99	n.a.	54.517,29	n.a.	330.383,93
1.995,00	n.a.	13.629,32	n.a.	82.595,98
5.985,00	n.a.	40.887,97	n.a.	247.787,95

Source: Own elaboration

### 9.3. Cash Flow plan

The treasury plan that will be used to analyze the liquidity of our company and whether I will need any financing in a short term (WikiEOI, s.f.).

In the table below (Table 11) it is shown the monthly cash flow in the first year of my activity, 2018, where I would like to highlight the payments and charges that the company will have to make in full cash. As we can see my company has enough liquidity to afford these payments and unforeseen expenses in the future.

**Table 11. Cash flow statement 2018**

Concept	Start	January	February	March	April	May	June	July	August	September	October	November	December	2018
<b>Opening balance (1)</b>	<b>0,00</b>	<b>0,00</b>	<b>-467,17</b>	<b>-32,87</b>	<b>942,78</b>	<b>1.603,55</b>	<b>4.346,77</b>	<b>7.107,17</b>	<b>6.530,27</b>	<b>8.197,55</b>	<b>10.318,11</b>	<b>10.891,85</b>	<b>13.002,12</b>	
Collection of receivables		12.390,00	16.440,00	18.900,00	22.920,00	26.220,00	26.400,00	22.500,00	21.540,00	23.880,00	26.400,00	23.730,00	22.350,00	<b>263.670,00</b>
Initial financing (Equity + Debt (p.) (V.A. Disurbed	16.000,00													<b>16.000,00</b>
		2.601,90	3.452,40	3.969,00	4.813,20	5.506,20	5.544,00	4.725,00	4.523,40	5.014,80	5.544,00	4.983,30	4.693,50	<b>55.370,70</b>
<b>Total Entries (2)</b>	<b>16.000,00</b>	<b>14.991,90</b>	<b>19.892,40</b>	<b>22.869,00</b>	<b>27.733,20</b>	<b>31.726,20</b>	<b>31.944,00</b>	<b>27.225,00</b>	<b>26.063,40</b>	<b>28.894,80</b>	<b>31.944,00</b>	<b>28.713,30</b>	<b>27.043,50</b>	<b>335.040,70</b>
Payment of purchases		9.912,00	13.162,00	15.120,00	18.336,00	20.976,00	21.120,00	18.000,00	17.232,00	19.104,00	21.120,00	18.884,00	17.880,00	<b>210.936,00</b>
Payment of other variable costs		123,90	164,40	189,00	229,20	262,20	264,00	225,00	215,40	238,80	264,00	237,30	223,50	<b>2.636,70</b>
Wages and salaries		1708,48	1708,48	1708,48	1708,48	1708,48	1708,48	1708,48	1708,48	1708,48	1708,48	1708,48	1708,48	<b>20.501,76</b>
Social contributions			529,63	529,63	529,63	529,63	529,63	529,63	529,63	529,63	529,63	529,63	529,63	<b>5.825,32</b>
Taxes: IAE, IRL, ...		500,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>500,00</b>
Supplies: light, water, telephone, gasoil		90,00	90,00	110,00	90,00	90,00	110,00	90,00	90,00	110,00	90,00	90,00	110,00	<b>1.160,00</b>
Indep.Professionals services		200,00	200,00	200,00	200,00	200,00	200,00	200,00	200,00	200,00	200,00	200,00	200,00	<b>2.400,00</b>
Office supplies		25,00	25,00	25,00	25,00	25,00	25,00	25,00	25,00	25,00	25,00	25,00	25,00	<b>300,00</b>
Publicity and promotion		50,00	50,00	50,00	0,00	0,00	0,00	0,00	0,00	50,00	50,00	50,00	50,00	<b>350,00</b>
Insurance Premiums		300,00	300,00	300,00	300,00	300,00	300,00	300,00	300,00	300,00	300,00	300,00	300,00	<b>3.600,00</b>
Leases		150,00	150,00	150,00	150,00	150,00	150,00	150,00	150,00	150,00	150,00	150,00	150,00	<b>1.800,00</b>
Other operating expenses		100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	<b>1.200,00</b>
For the initial investments	16.000,00													<b>16.000,00</b>
By tax companies														<b>0,00</b>
V.A.T. Supported		2.293,69	2.988,59	3.411,24	4.080,34	4.641,67	4.676,49	4.008,90	3.845,60	4.258,34	4.682,78	4.228,62	3.998,09	<b>47.120,37</b>
<b>Quarterly settlement of V.A.T. (4)</b>					<b>1.323,78</b>	<b>2.464,90</b>					<b>2.150,36</b>			<b>5.939,03</b>
<b>Total Outputs (3)</b>	<b>16.000,00</b>	<b>15.459,07</b>	<b>19.458,10</b>	<b>21.693,35</b>	<b>27.072,43</b>	<b>28.982,98</b>	<b>29.183,60</b>	<b>27.801,90</b>	<b>24.396,11</b>	<b>26.774,25</b>	<b>31.370,26</b>	<b>26.603,03</b>	<b>25.274,69</b>	<b>320.269,77</b>
<b>Treasury of the period = (2) - (3) =</b>	<b>0,00</b>	<b>-467,17</b>	<b>-434,30</b>	<b>975,65</b>	<b>660,77</b>	<b>2.743,22</b>	<b>2.760,40</b>	<b>-576,90</b>	<b>1.667,29</b>	<b>2.120,55</b>	<b>573,74</b>	<b>2.110,27</b>	<b>1.768,81</b>	
<b>Closing balance = Treasury period</b>	<b>0,00</b>	<b>-467,17</b>	<b>-32,87</b>	<b>942,78</b>	<b>1.603,55</b>	<b>4.346,77</b>	<b>7.107,17</b>	<b>6.530,27</b>	<b>8.197,55</b>	<b>10.318,11</b>	<b>10.891,85</b>	<b>13.002,12</b>	<b>14.770,93</b>	

Source: Own elaboration

Then in Table 12 it is shown the annual cash plan for the next three years from the start of the activity.

**Table 12. Annual cash flow statement**

	2.018	2019	2020
<b>Total</b>			
	<b>14.770,93</b>		<b>68.931,92</b>
<b>263.670,00</b>	527.340,00	2.109.360,00	
<b>16.000,00</b>	0,00	0,00	
<b>55.370,70</b>	110.741,40	442.965,60	
<b>335.040,70</b>	<b>638.081,40</b>	<b>2.552.325,60</b>	
<b>210.936,00</b>	421.872,00	1.687.488,00	
<b>2.636,70</b>	5.273,40	21.093,60	
<b>20.501,76</b>	20.501,76	23.064,48	
<b>5.825,92</b>	6.355,55	7.083,79	
<b>500,00</b>	500,00	500,00	
<b>1.160,00</b>	2.320,00	9.280,00	
<b>2.400,00</b>	4.800,00	19.200,00	
<b>300,00</b>	300,00	300,00	
<b>350,00</b>	350,00	350,00	
<b>3.600,00</b>	3.600,00	3.600,00	
<b>1.800,00</b>	1.800,00	1.800,00	
<b>1.200,00</b>	1.200,00	1.200,00	
<b>16.000,00</b>	0,00	0,00	
<b>0,00</b>	1.995,00	13.629,32	
<b>47.120,37</b>	92.718,23	366.305,44	
<b>5.939,03</b>	<b>20.334,47</b>	<b>76.660,16</b>	
<b>320.269,77</b>	<b>583.920,41</b>	<b>2.231.554,79</b>	
	<b>54.160,99</b>	<b>320.770,81</b>	
	<b>68.931,92</b>	<b>389.702,73</b>	

Source: Own elaboration

## 9.4. Temporary Balance sheet

Once analyzed the previous data, in the table below (Table 13) it is shown the annual balance based on the three years of my economic activity. I would like to highlight that

the online store will not get any financing from banks, so all funding will be received from own contributions.

To conclude, I can confirm that both the assets and liabilities are balanced and, therefore, the basic principle of accounting will be fulfilled.

**Table 13. Annual Balance**

	Start		2018		2019		2020	
	I	%	I	%	I	%	I	%
<b>Long Term Assests</b>	<b>16.000,00</b>	<b>100,0%</b>	<b>12.050,00</b>	<b>44,9%</b>	<b>8.100,00</b>	<b>10,5%</b>	<b>4.150,00</b>	<b>1,1%</b>
Net property, plants and equipment	15.000,00	93,8%	0,00	0,0%	0,00	0,0%	0,00	0,0%
Net Intangible Assets	0,00	0,0%	11.250,00	41,9%	7.500,00	9,7%	3.750,00	1,0%
Net Amortizable Expenses	1.000,00	6,3%	800,00	3,0%	600,00	0,8%	400,00	0,1%
<b>Current Assets</b>	<b>0,00</b>	<b>0,0%</b>	<b>14.770,93</b>	<b>55,1%</b>	<b>68.931,92</b>	<b>89,5%</b>	<b>389.702,73</b>	<b>98,9%</b>
Treasury	0,00	0,0%	14.770,93	55,1%	68.931,92	89,5%	389.702,73	98,9%
<b>Total Assets</b>	<b>16.000,00</b>	<b>100,0%</b>	<b>26.820,93</b>	<b>100,0%</b>	<b>77.031,92</b>	<b>100,0%</b>	<b>393.852,73</b>	<b>100,0%</b>
<b>Own resources</b>	<b>16.000,00</b>	<b>100,0%</b>	<b>21.985,00</b>	<b>82,0%</b>	<b>62.872,97</b>	<b>81,6%</b>	<b>310.660,92</b>	<b>78,9%</b>
Capital	16.000,00	100,0%	16.000,00	59,7%	16.000,00	20,8%	16.000,00	4,1%
Reservations	0,00	0,0%	0,00	0,0%	5.985,00	7,8%	46.872,97	11,9%
Profit and Loss for the Year	0,00	0,0%	5.985,00	22,3%	40.887,97	53,1%	247.787,95	62,9%
<b>Long-Term Liabilities</b>	<b>0,00</b>	<b>0,0%</b>	<b>0,00</b>	<b>0,0%</b>	<b>0,00</b>	<b>0,0%</b>	<b>0,00</b>	<b>0,0%</b>
<b>Short-Term Liabilities</b>	<b>0,00</b>	<b>0,0%</b>	<b>4.835,93</b>	<b>18,0%</b>	<b>14.158,95</b>	<b>18,4%</b>	<b>83.191,82</b>	<b>21,1%</b>
Social Security	0,00	0,0%	529,63	2,0%	529,63	0,7%	595,83	0,2%
Other Creditors (H.P.)	0,00	0,0%	4.306,30	16,1%	13.629,32	17,7%	82.595,98	21,0%
<b>Total Permanent Resources</b>	<b>16.000,00</b>	<b>100,0%</b>	<b>21.985,00</b>	<b>82,0%</b>	<b>62.872,97</b>	<b>81,6%</b>	<b>310.660,92</b>	<b>78,9%</b>
<b>Total Other Resources</b>	<b>0,00</b>	<b>0,0%</b>	<b>4.835,93</b>	<b>18,0%</b>	<b>14.158,95</b>	<b>18,4%</b>	<b>83.191,82</b>	<b>21,1%</b>
<b>Total Liabilities</b>	<b>16.000,00</b>	<b>100,0%</b>	<b>26.820,93</b>	<b>100,0%</b>	<b>77.031,92</b>	<b>100,0%</b>	<b>393.852,73</b>	<b>100,0%</b>
<b>Maneuver Fund</b>	<b>0,00</b>	<b>0,0%</b>	<b>9.935,00</b>	<b>37,0%</b>	<b>54.772,97</b>	<b>71,1%</b>	<b>306.510,92</b>	<b>77,8%</b>

Source: Own elaboration

## **10. CONCLUSIONS**

### **10.1. Identification of project challenges or aspects to consider**

The main challenge that I will have to face throughout this new project will be the start and first year of our activity, since I will have a limited budget for its development and low level of knowledge of the current market. Therefore, I must make important efforts to reach our target audience in order to be recognized as a good and loyal company and build loyalty with the future customers.

I will try to overcome this challenge in the shortest time possible through building loyalty with my customers and the expansion in the current market in order to increase sales and make possible the adequate growth of the company.

One aspect that I must take into account is the expansion of my work team at the same time that the company grows. Due to the greater my sales the more qualified employees will be hired for the development of my economic activity.

However, I would also like to highlight the low investment needed to start up the project, so I may make all initial investments and run my company without any external financing.

### **10.2. Future opportunities**

An opportunity that I can see is the possibility to grow as a company in the current market and expand my work team at the same time that the number of my customers grows.

We should also consider the probability of establishing a physical store in order to commercialize my products at the same time as they are being commercialized through the website. This will be possible once my company will be established in the current market and obtain a considerable market share in order to have enough capacity and resources to be able to afford the expenses generated by its expansion. Through the constitution of this new physical store the company will be able to gain a greater segment of customers, since I may be able to offer my products to those people who are not used to purchase online and prefer to do it at any physical store.

It is remarkable that the employment rate that is going through Spain shows many difficulties to get a stable job, so it may be a great opportunity create a new business in which can provide the knowledge acquired during the degree.

### **10.3. Assessment of the work process**

After the development of this new business idea, based on the creation a company called Moreclothing, I can reach the following conclusions:

First, based on economic and financial aspects, I can confirm that Moreclothing will be a viable business since there will be a positive evolution regarding the results obtained after three years of its activity, as it is shown in the financial plan.

Taking away the economic aspects and focusing on the product, I can say that there are no companies with similar characteristics to those of Moreclothing, so I can offer innovative products with high differential value and excel over my competitors.

I would also like to highlight the high skills and competences that the professionals who form my work team will have in order to offer to my customers a quality service according to the image of the company.

Once have been analyzed both, economic and non-economic aspects, and based on the boom that is experiencing E-commerce, I can conclude that Moreclothing will be a profitable company once enters to the current market and develops its economic activity due to its environmentally-friendly products.



## **11. REFERENCE LIST**

- Anonymous 1 (2016). *What is e-commerce?* Recovered on January 23, 2017 from <https://debitoor.es/glosario/definicion-ecommerce>
- Anonymous 2 (2017). *Online commerce gains ground to the physical store.* Recovered on 13 April, 2017 from <http://www.heraldo.es/noticias/suplementos/ecommerce/2017/04/03/el-comercio-online-gana-terreno-tienda-fisica-1166945-2261034.html>
- Anonymous 3 (s.f.). *Environmental pollution.* Recovered on January 25, 2017 from <http://contaminacion-ambiente.blogspot.com.es/>
- Bank of Spain (2016). *Information note: Macroeconomic projections of the Spanish economy 2016-2017.* Recovered on February 2, 2017 from [http://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/NotasInformativas/Briefing\\_notas/es/notabe010416.pdf](http://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/NotasInformativas/Briefing_notas/es/notabe010416.pdf)
- Cisneros, N. (s.f.). *Pollution of the environment.* Recovered on January 23, 2017 from <http://platea.pntic.mec.es/~jsanch14/mo2.htm>
- Eco (s.f.). *Ecological clothing.* Recovered on January 13, 2017 from <http://www.ecototal.com/ropa-ecologica/>
- Ecology (s.f.). *What is organic clothing?* Recovered on January 13, 2017 from <http://revistamistura.com.ar/web/index.php/secciones/ambiente/965-ique-es-la-ropa-ecologica.html>
- Fangaloka (s.f.). *¿Qué es el coworking? Una nueva forma de trabajar.* Recovered on December 27, 2016 from <http://fangaloka.es/coworking-que-es-coworking/>
- Febrero, V. (2011). *What is ecological or organic clothing?* Recovered on January 13, 2017 from <http://opcionbio.es/blog/es/2011/05/17/prueba-moda-ecologica/>
- García, M. (2016). *By this way has evolved the Spanish economy during the months without government.* Recovered on February 2, 2017 from <http://www.expansion.com/economia/2016/10/29/58131accca47418f0b8b4644.html>
- Global Entrepreneurship Monitor (2011). *GEM Spain Report.*
- Guerras, L.A. y Navas, J.E. (2007). *La Dirección Estratégica de la empresa: Teoría y aplicaciones.* (p.190). Madrid: Civitas.
- Ibañez, G., Liege, J., Lostalé, E., Casado, A. (2016). *Study evolution and perspectives of e-commerce for 2016.* Recovered on January 25, 2017 from [http://www.acotex.org/wp-content/uploads/2016\\_evolucion\\_y\\_perspectivas\\_de\\_ecommerce\\_para\\_2016.pdf](http://www.acotex.org/wp-content/uploads/2016_evolucion_y_perspectivas_de_ecommerce_para_2016.pdf)
- Kaidi, K. (2016). *Subvenciones de empresas. ¿Sabes donde buscarlas?.* Recovered on January 26, 2017 from <http://infoautonomos.eleconomista.es/blog/subvenciones-empresas-2016/>
- Kotler, P. y Keller, K. (2012). *Dirección de Marketing.* Mexico: Pearson
- La Moncloa (2017). *Environment.* Recovered on March 30, 2017 from <http://www.lamoncloa.gob.es/espana/eh15/medioambiente/Paginas/index.aspx>
- Martínez, L.A. (2013). *Problemática contable de los gastos de constitución y de primer*

*establecimiento*. Recovered on April 26, 2017 from <https://www.ineaf.es/tribuna/problematica-gastos-constitucion-gastos-primer-establecimiento/>

Ministry of Education, Culture and Sport. *Physical activity and pathologies in the Spanish population*. Recovered on February 5, 2017 from <file:///C:/Users/Neus/Downloads/17739.pdf>

National Reform Program, 2016. Recovered on January 28, 2017 from [http://www.mineco.gob.es/stfls/mineco/comun/pdf/160503\\_np\\_reformas.pdf](http://www.mineco.gob.es/stfls/mineco/comun/pdf/160503_np_reformas.pdf)

National Statistics Institute. Recovered on February 10, 2017 from [http://www.ine.es/dyngs/INEbase/es/operacion.htm?c=Estadistica\\_C&cid=1254736176951&menu=ultiDatos&idp=1254735572981](http://www.ine.es/dyngs/INEbase/es/operacion.htm?c=Estadistica_C&cid=1254736176951&menu=ultiDatos&idp=1254735572981)

National Statistics Institute. Recovered on February 2, 2017 from [http://www.ine.es/prensa/imasd\\_prensa.htm](http://www.ine.es/prensa/imasd_prensa.htm)

Official Gazette of the State, 295, of December 10, 2013 <https://www.boe.es/boe/dias/2013/12/10/pdfs/BOE-A-2013-12888.pdf>

Official Gazette of the State, 47, February 23, 2013 <https://www.boe.es/boe/dias/2013/02/23/pdfs/BOE-A-2013-2030.pdf>

Priede, T.; López, C.; Benito, S. (2010). *Creación y desarrollo de empresas*. Ed. Pirámide.

Racataplan (2017). *Ecological fabrics*. Recovered on January 23, 2017 from <http://www.racataplan.com/es/tejidos-ecologicos-detalle/>

Reyes, L. (s.f.). *Analysis of the entrepreneurial activity in Spain*. Recovered on January 28, 2017 from <http://www.injuve.es/sites/default/files/2013/18/publicaciones/Cap%208%20%20INJUV E%20n%C2%BA%2099-2.pdf>

Rodriguez, E. (2013). *Advantages and Disadvantages of eCommerce: The view of the Customer*. Recovered on 13 April, 2017 from <https://www.actualidadecommerce.com/ventajas-y-desventajas-del-ecommerce-el-punto-del-vista-del-cliente/>

Sinergia CoWork (2014). *¿Qué es el coworking?* Recovered on December 27, 2016 from <http://sinergiacowork.com/montevideo/que-es-el-coworking-y-sus-beneficios/>

Sucunza, F. (s.f.). *La importancia de las personas*. Recovered on March 29, 2017 from <https://dialnet.unirioja.es/servlet/articulo?codigo=891323>

Urbano, S.M. (2017). *The e-commerce market in numbers*. Recovered on 21 May 2017 from <https://www.actualidadecommerce.com/mercado-comercio-electronico-numeros/>

WikiEOI, (s.f.). *El Plan de Tesorería en Proyectos de negocio*. Recovered on April 26, 2017 from [http://www.eoi.es/wiki/index.php/El\\_Plan\\_de\\_Tesorer%C3%ADa\\_en\\_Proyectos\\_de\\_negocio](http://www.eoi.es/wiki/index.php/El_Plan_de_Tesorer%C3%ADa_en_Proyectos_de_negocio)

## **12. BIBLIOGRAPHY**

- Adidas. Recovered on February 21, 2017 from <http://www.adidas.es/>
- Anonymous 4 (s.f.). *Market segmentation and quantification of the consumer public*. Recovered on January 12, 2017 from <http://curriculum-entrevista-trabajo.com/segmentacion-y-tamano-del-publico-consumidor/>
- Anonymous 5 (s.f.). *The company and the market*. Recovered on December 27, 2016 from [http://educativa.catedu.es/44700165/aula/archivos/repositorio/2750/2775/html/32\\_la\\_empresa\\_y\\_el\\_mercado.html](http://educativa.catedu.es/44700165/aula/archivos/repositorio/2750/2775/html/32_la_empresa_y_el_mercado.html)
- Ecoology. Recovered on February 21, 2017 from <http://www.ecoology.es/es/>
- Elisa Muresan. Recovered on February 21, 2017 from <http://www.elisamuresan.com/>
- Fashion dresses in green (2007). *What is organic clothing?* Recovered on January 13, 2017 from <http://lamodasevistedeverde.blogspot.es/1196719020/-que-es-la-ropa-ecologica/>
- Growing business (2012). *How to analyze a balance*. Recovered on April 26, 2017 from <http://www.crecenegocios.com/como-analizar-un-balance/>
- Know your company (2012). *How to elaborate the Vision and Mission of my business*. Recovered on January 12, 2017 from <http://blog.conducetuempresa.com/2012/04/como-elaborar-la-vision-y-mision-de-mi.html>
- Muñiz, R. (s.f.). *The market*. Recovered on January 12, 2017 from <http://www.marketing-xxi.com/el-mercado-57.htm>
- Nike. Recovered on February 21, 2017 from [http://www.nike.com/es/es\\_es/](http://www.nike.com/es/es_es/)
- Parada, P. (2013). *Analysis PESTEL, a business strategy tool for the study of the business*. Recovered on January 25, 2017 from <http://www.pascualparada.com/analisis-pestel-una-herramienta-de-estudio-del-entorno/>
- Puma. Recovered on February 21, 2017 from <http://es-eu.puma.com/es/en/home>
- SEUR. Recovered on March 29, 2017 from <https://www.seur.com/es/empresas/soluciones-e-commerce/>
- Spanish constitution. Title I of fundamental rights and duties, Article 31. Recovered on 3 February, 2017 from <http://www.congreso.es/consti/constitucion/indice/titulos/articulos.jsp?ini=31&tipo=2>
- The chamber of commerce (s.f.). *Business activity*. Recovered on January 12, 2017 from <http://www.creacionempresas.com/plan-de-viabilidad/que-es-un-plan-de-empresa-viabilidad/actividad-de-la-empresa>
- Urbano, S.M. (2015). *Advantages and Disadvantages of Ecommerce*. Recovered on 13 April, 2017 from <https://www.actualidadecommerce.com/ventajas-y-desventajas-del-ecommerce/>